

08 May 2007

MEMORANDUM FOR RECORD

SUBJECT: Inland Navigation Community of Practice teleconference 08 May 2007 from 1030 to 1130 e.t.

1. Mark Hammond opened with comments about the 2007 Inland Navigation Planning Associates class held in Huntington April 23-27. Wes Walker was impressed with the character and ability of the class.
2. Chris Dager – TVA Transportation Rate Specialist - the Inland Waterway User Board (IWUB) trust fund will be depleted in 18 months. The board is studying alternative ways to finance \$200 million a year (more tax, lockage fees, issue bonds). Workshop in D.C. May 24.
3. Bud Langdon – spoke for LRD Senior Economist Paul Hanley - OMB used BCR rather than the RBRCR as a budget metric for PY2008, however RBRCR is still in PY 09 budget EC. LRD advertised and closed two GS-14 positions to replace Paul Hanley and Rich Furman.
4. Rich Manguno – UMR NESP PDT Economics Lead - the UMR-NESP is on schedule for a September report. It is a re-evaluation of the recommended plan from the feasibility study. Two NETS products are playing a prominent role – global grain model and shipper response survey. Both will need certified. NETS has done (is doing?) an independent peer review.
5. Wes Walker – UMR-NESP Peer Review Manager – Peer reviews are very expensive. External peer review and independent technical review for UMR-NESP are \$400k and \$230k respectively.
6. Kevin Logan – Upper Ohio Feasibility Study PM – the Upper Ohio feasibility study is underway. A FSM is scheduled for 22 June and the AFB is tentatively scheduled for April 2009. The Executive Steering Group recommended that the EPR panel appoint a chairperson to coordinate all communication.
7. Rebecca Soileau – Upper Ohio Feasibility Peer Review Manager – has Beth Cade (EPR) and Bill Weekley (ITR) managing the EPR and ITR teams. Rebecca is interested in seeing what processes work and is eager to take her UMR-NESP EPR experience to the Ohio River study.
8. David Wright – Great Lakes St. Lawrence Seaway Recon Study – is a bi-national effort involving both seaway agencies, USDOT, USF&W and Environment Canada. The study will produce a reliability based, without-project investment plan for maintenance and rehabilitation of existing infrastructure. The study team is wrapping up economic and reliability analysis and expects a mid-July completion. This study has high environmental visibility due to the issue of invasive species. Environmentalists argue that the \$55

million in savings from ocean going ships bringing in invasive species through ballast water is small relative to the cost of the invasive species on the environment.

9. Anne Sudar – Trust Fund Update – added to Chris Dager. The IWUB opposes any new tax and argues that construction spending is inefficiently spent. Chronic under funding of Olmsted L/D has added \$260 million in cost. The annual budget process is not the Corps' problem alone; we are in it with OMB and Congress as well. The ASA has requested an investigation of trust fund receipts from 2006. What caused the turn around from trust fund surplus? More construction spending and this is not likely to change soon with the current construction load and the near term UMR/IWW authorization. The Corps has proposed a possible barge lockage fee to put capital costs on the user. There's a meeting in D.C. scheduled for 24 May.

10. Asset Management is an OMB driven effort. Some in OMB claim a better measure of project performance is its internal rate of return and not the benefit-cost ratio.

11. Mark Hammond proposed the next telecon be a face-to-face in September. He will be contacting community members for input on agenda items and location. This and other Inland Nav CoP MFRs and agendas can be found at:

<http://inlandwaterways.lrh.usace.army.mil/inlandnavcop/>

Mark Hammond
Regional Economist

List of Participants:

Dale Kelz, LRH
Wes Walker, LRH
Sharon Weekley, LRH
Bud Langdon, LRH
Mark Hammond, LRH
Dick Ash, LRH
Mark Lisney, IWR
Anne Sudar, IWR
David Wright, LRE
Craig Newcomb, NWW
Roger Haberly, LRB
Jon Brown, LRB
Bill Frechione, LRP
Kevin Logan, LRP
Curt Meeder, LRP
Chris Dager, TVA
Ron Riberich, TVA
Rebecca Soileau, MVP
Ian McDevitt, MVM

Charles Barton, MVD
Steve Jones, MVD
Robert Petersen, MVD
Richard Astrack, MVS
Rich Manguno, MVN
Lanora Wright, SWD